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OPERATIONS COORDINATING BOARD
Washington 25, D. C.

November 15, 1956

MEMORANDUM FOR WORKING GROUP ON INDONESIA (NSC 5518)

SUBJECT: Embassy Djakarta's Comments on Outline Plan of Operation with Respect to Indonesia

There follows the substance of the recommendations and views of the Embassy at Djakarta for your consideration at the working group meeting scheduled for Tuesday, November 20, at 2:30 p.m., OCB.

The Embassy in Djakarta has offered the following comments on the draft Outline Plan of Operations for Indonesia dated October 5, 1956.

SECTION I

Para B-4 -- that the following phrase be added: "and that the Philippines and Thailand be encouraged to assist the United States in making Indonesia aware of these contributions."

Para B-5 -- delete as obsolete.

SECTION II

Para 8 -- add to first sentence the following phrase: "exploiting efforts of people in communist countries to win freedom from Soviet domination."

25X1A5a1 Para 24 -- revise lines 8 and 9 to read: "engineering, science and agriculture through [REDACTED]"

Para 25 -- Embassy considers review of 1290(d) paper unnecessary and notes that a survey of the Indonesian police service by a team of American police experts has been made and the program recommended is currently in process of being carried out.

Para 30 -- Deletion of this paragraph is recommended since Indonesia is now shipping rubber to Communist China.

The Embassy suggests the following new paragraphs:

1. Between paragraphs 35 and 36 a new paragraph to read: "Implement the P.L. 480 program to accomplish to the maximum extent feasible the purposes stated in Section 104 (D)(E)(G). Specifically to assist in utilizing local currency to finance the purchase of goods or services from other friendly countries, promote balanced economic development and trade among nations, and

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provide for loans to promote multilateral trade and economic development."

2. Between paragraphs 38 and 39 a new paragraph to read: "Encourage settlement of the reparations problem with Japan."

SECTION III

The Embassy strongly endorses the proposal under Section III that an Outline Plan of Operations be prepared to provide operating guidance which would point out the opportunities and hazards in relations with Moslem countries. The following revision of this section is suggested: "The Working Group recommends that an appropriate Working Group be instructed to prepare an Outline Plan of Operations on U.S. relations with Islamic countries similar to the draft Outline Plan entitled "Proposals Regarding U.S. Relations with the Therawada Buddhist Countries."

The Board Assistants on November 2 recommended that the Working Group review the Outline Plan of Operations to determine whether all possible steps were being taken to counter the Soviet Bloc economic offensive in Indonesia. Members of the Working Group are requested to review the paper in the light of this recommendation to determine whether the courses of action satisfy the recommendation of the Board Assistants.

Kenneth P. Landon

Kenneth P. Landon
OCB Staff Representative

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